FILE COPY

In the Supreme Court of the United States

OCTOBER TERM, 1930.

No. 46.

LOUIS H. ENSTEN AND
THE LION KNITTING MILLS COMPANY,
Petitioners,

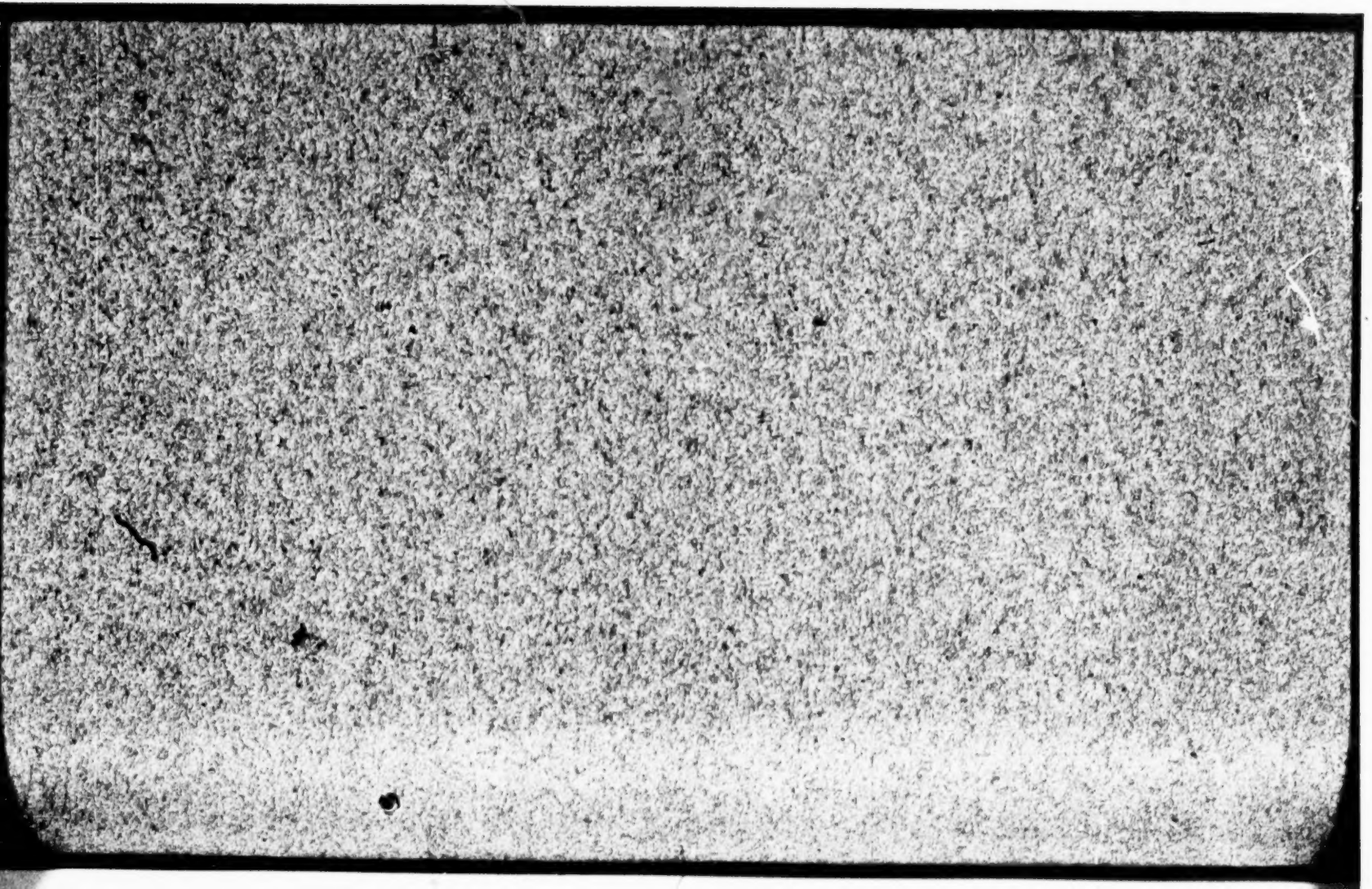
VS.

SIMON ASCHER AND COMPANY, INC.,
Respondent.

PETITION FOR REHEARING.

HAROLD ELNO SMITH,
1310 Hanna Building,
Cleveland, Ohio,
Attorney for Petitioners.

THE GATES LEGAL PUBLISHING CO., CLEVELAND, O.



In the Supreme Court of the United States

OCTOBER TERM, 1930.

No. 46.

LOUIS H. ENSTEN AND
THE LION KNITTING MILLS COMPANY,
Petitioners,

vs.

SIMON ASCHER AND COMPANY, INC.,
Respondent.

PETITION FOR REHEARING.

HAROLD ELNO SMITH,
1310 Hanna Building,
Cleveland, Ohio,
Attorney for Petitioners.

In the Supreme Court of the United States

OCTOBER TERM, 1930.

No. 46.

LOUIS H. ENSTEN AND
THE LION KNITTING MILLS COMPANY,
Petitioners,

vs.

SIMON ASCHER AND COMPANY, INC.,
Respondent.

PETITION FOR REHEARING.

Now come the petitioners by their counsel and pray a rehearing of this cause for the following

GROUNDS:

The Statute (R. S. 4922) provides merely that

> "no one shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer. (R. S. Sec. 4922)."

(1) Petitioners submit that the word "disclaimer" in this section is not limited to the particular kind of "disclaimer" specified in R. S. 4917, but also includes limitation by *reissue* according to R. S. 4916. (U. S. C. Title 35, Sec. 64, see Appendix.)

(2) Petitioners also submit that the right of interlocutory appeal from a decree refusing an injunction

granted by the Judicial Code (Sec. 129) was additional to the right of appeal from final decree and was not intended as a substitute therefor.

(3) Petitioners submit that the Court should not, in the absence of testimony, ascribe an evil significance to the patentee's course, seeing that a good and lawful significance can equally be ascribed thereto.

ARGUMENT.

(1) Two questions are raised, viz.: what is "reasonable" and what is a "disclaimer," as these words are used in R. S. 4922. "Reasonable" is so well and broadly defined in law that explanation to this Court would be impertinent; but the word "disclaimer" has, perhaps, not received full consideration, particularly in its relation to the word "reasonable" in this statute.

The law provides two means whereby a patentee, who has made too broad a claim, may restrict the same to that which was really and truly his own, viz.: by that process known as a "disclaimer," provided by R. S. 4917, and also by that process known as a "reissue"* provided by R. S. 4916. (Sec. 64, U. S. C.) One difference is that when a claim is "disclaimed" it is struck out bodily, whereas by "reissue" it is possible, instead of striking it out, to amend or limit it only to the extent necessary to render it valid, thus causing it to yield continued protection while still restricting it within that scope which the patentee was entitled to claim as new. Another difference is that, through-

---

*(N. B.—The reissue statute was changed in this regard by Act of May 24, 1928, C. 730, 45 Stat. 732. This section, both before and after the Amendment, is copied in the appendix hereto.)

out the time this suit was pending in the District Court, a "disclaimer" (under R. S. 4917) could be filed at any time without ousting jurisdiction, but a reissue (under R. S. 4916), while having the same purging effect on the patent, would have ousted the jurisdiction and hence cost the patentee his entire recovery.

Now it will be seen by inspection of claim 2 (which the District Court held invalid) that it was very much broader than any of the other claims of the Ensten Patent in suit, and that it could be restricted so as to be rendered valid without causing it to duplicate any other claim. The Court held it too broad and Ensten may be considered to have acquiesced in that holding, at least his present counsel does; but unless this Court is prepared to hold that the word "disclaimer," occurring at the very end of R. S. 4922 refers solely to that type of "disclaimer" provided by R. S. 4917 and excludes that other kind of disclaimer, known as "reissue" provided by R. S. 4916, then Ensten was acting "reasonably" in awaiting the entry of a final decree so as to enable him to take advantage of the reissue statute to reform his claim instead of amputating it. If, on the other hand, the Court holds that the "disclaimer" mentioned in R. S. 4922 is only to be satisfied by the procedure of R. S. 4917 and not by that of R. S. 4916, the next question is:

(2) Whether the effect of the Judicial Code in permitting an interlocutory appeal in a case denying an injunction was intended to take away the right of appeal from the final decree which was the customary and invariable appeal according to the history of equity jurisprudence. In other words was the interlocutory appeal intended by Congress as a *substitute for* or an *addition to* the final appeal? It is submitted that the Court's holding is likely to entail difficulty in the future on this ground, but the petitioners' main point is that Ensten had an equal

right, under the law, to restrict his patent by reissue under R. S. 4916 as by "disclaimer" under R. S. 4917, and the law did not compel him to sacrifice his accounting and his recoveries to accomplish this, but he was justified in awaiting the entry of final decree.

This in turn raises certain points which petitioners must answer, but which are, it is submitted, subsidiary to the main point, viz.:

(a) Ensten did not, in fact, wait until final hearing and then reissue his patent, but instead, in April, 1924, filed a disclaimer under R. S. 4917. *Answer:* Ensten must have changed his mind and filed his disclaimer *earlier* than he need have done, rather than later. He ought not to be penalized of his property for doing this.

(b) Ensten had held out his patent for over two years while containing an invalid claim. *Answer:* during all this time he was diligently trying to conclude this litigation and secure his money, and Judicial Code Title 35, Sec. 70 (see footnote) which requires notice of the pendency and outcome of all patent litigation to be given to the Commissioner of Patents and by him recorded in the file history of the patent itself, prevents any misleading of the public, and was adopted for this very purpose.

(c) The record of the case contains no factual proof of Ensten's intent to reissue: *Answer:* reliable

---

"Within one month after the decision is rendered or a decree issued the Clerk of the Court shall give notice thereof to the Commissioner of Patents, and it shall be the duty of the Commissioner of Patents on receipt of such notice forthwith to endorse the same upon the file wrapper of the said patent or patents and to incorporate the same as to part of the contents of said file or file wrapper."

(Title 35, Section 70 of the U. S. Code, as enacted June 28, and approved June 30, 1926, is copied in full in the appendix.)

testimony of intention is difficult at the best, but if it be considered that Ensten had *a legal right* to a reissue as against a disclaimer, there is no need of testimony as to his *intent* to avail himself thereof. Likewise there is no necessity as a matter of law to ascribe his acts to any sinister purpose when they can equally be ascribed to a lawful purpose. And Ensten needs no testimony to prove his innocence seeing that the record contains no testimony imputing any attempt or intent to misrepresent his patent to the public.

(3) At the very least we have here a meritorious patent which has been held valid and infringed by District and Appellate Courts. The question of what course is or is not "reasonable" in respect of a disclaimer is not merely a question of law but also of fact, and this patent should not be declared unenforceable and the patentee's investment destroyed merely because of a delay in filing reissue which was justified by the statute. And, in the absence of testimony, it is submitted there is no justification in law for ascribing any evil significance to his act in shifting to the other statute prior to the time when a reissue application could have been filed.

Was the patentee in error in not notifying the District Court of his intention to reissue? Apparently that would have saved the present difficulty, though no statute makes any provision for such act. In any event we have here the first case of this kind which has ever arisen, the patentee's course was in accordance with R. S. 4916 and not morally unreasonable, and he should not, in the absence of precedent or warning, be penalized by the loss of his property for merely changing his mind and shifting to the adjacent section of the statute.

Will the Honorable Court, therefore, hear this petition and explanation of the petitioners and grant them a rehearing?

Very respectfully,

HAROLD ELNO SMITH,

Attorney for Petitioners.

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and that I verily believe the same ought justly to be granted.

HAROLD ELNO SMITH.

APPENDIX.

R. S. 4916 (U. S. C. Tit. 35—Sec. 64) Prior to May 24, 1928:

"64. REISSUE OF DEFECTIVE PATENTS; PATENTS FOR SEPARATE PARTS. Whenever any patent is inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a new patent for the same invention, and in accordance with the corrected specification, to be issued to the patentee, or, in the case of his death or of an assignment of the whole or any undivided part of the original patent, then to his executors, administrators, or assigns, for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the amended patent. The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claim in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specification shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification nor in case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid."

R. S. 4916 (U. S. C. Tit. 35, Sec. 64) as amended May 24, 1928, (C. 730, 45 Stat. 735):

"64. REISSUE OF DEFECTIVE PATENTS; PATENTS FOR SEPARATE PARTS. Whenever any patent is *wholly or partly* inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall on the surrender of such patent and the payment of the duty required by law, cause a patent for the same invention, and in accordance with the corrected specification, to be *re*issued to the patentee *or to his assigns or legal representatives* for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the *reissued* patent, *but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent to the extent that its claims are identical with the original patent shall constitute a continuation thereof and have effect continuously from the date of the original patent.* The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claims in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specifications, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification, nor in case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may

be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid." (Italics show changes made)

U. S. Code Tit. 35, Sec. 70, as approved June 30, 1926:

"70. POWER OF COURTS TO GRANT INJUNCTIONS AND ESTIMATE DAMAGES; ASSESSMENT OF DAMAGES AND PROFITS; INCREASE OF DAMAGES; LIMITATION ON RECOVERY OF DAMAGES OR PROFITS; NOTICE TO COMMISSIONER OF SUITS FILED AND DECREES RENDERED. The several courts vested with jurisdiction of cases arising under the patent laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for an infringement the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. If on the proofs it shall appear that the complainant has suffered damage from the infringement or that the defendant has realized profits therefrom to which the complainant is justly entitled, but that such damages or profits are not susceptible of calculation and determination with reasonable certainty, the court may, on evidence tending to establish the same, in its discretion, receive opinion or expert testimony, which is hereby declared to be competent and admissible, subject to the general rules of evidence applicable to this character of testimony; and upon such evidence and all other evidence in the record the court may adjudge and decree the payment by the defendant to the complainant of a reasonable sum as profits or general damages for the infringement. The court shall have the same power to increase such damages, in its discretion, as is given to increase the damages found by verdicts in actions in the nature of

actions of trespass upon the case; but in any suit or action brought for the infringement of any patent there shall be no recovery of profits or damages for any infringement committed more than six years before the filing of the bill of complaint or the issuing of the writ in such suit or action. And it shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding arising under the patent laws to give notice thereof in writing to the Commissioner of Patents, setting forth in order so far as known the names and addresses of the litigants, names of the inventors, and the designating number or numbers of the patent or patents upon which the action, suit, or proceeding has been brought, and in the event any other patent or patents be subsequently included in the action, suit, or proceeding by amendment, answer, cross bill, or other pleading, the clerk shall give like notice thereof to the Commissioner of Patents, and within one month after the decision is rendered or a decree issued the clerk of the court shall give notice thereof to the Commissioner of Patents, and it shall be the duty of the Commissioner of Patents on receipt of such notice forthwith to indorse the same upon the file wrapper of the said patent or patents and to incorporate the same as a part of the contents of said file or file wrapper; and for each notice required to be furnished to the Commissioner of Patents in compliance herewith a fee of 50 cents shall be taxed by the clerk as costs of suit."